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Thematic cluster II: sanctions monitoring teams, groups and panels

Panel of Experts on the Democratic People's Republic of Korea

Report of the Secretary-General

Summary

The present report contains the proposed additional resource requirements for 2017 for the Panel of Experts on the Democratic People's Republic of Korea, amounting to $697,400 net ($767,800 gross).

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Panel of Experts on the Democratic People's Republic of Korea

($697,400)

Background, mandate and objective

1. The Panel of Experts on the Democratic People's Republic of Korea was established pursuant to Security Council resolution 1874 (2009). The mandate of the Panel has been subsequently extended a number of times, most recently by the Council in resolution 2276 (2016), until 24 April 2017.

2. On 30 November 2016, the Council adopted resolution 2321 (2016) in response to a fifth nuclear test and numerous ballistic missile launches by the Democratic People's Republic of Korea, conducted in violation of relevant Council resolutions. Pursuant to the resolution, the Council significantly expanded existing sanctions measures, established new measures (sectoral bans) and further requested regular monitoring and reporting on a real-time basis from Member States, the Panel of Experts and the Security Council Committee established pursuant to resolution 1718 (2006) with regard to the coal ban.

3. Under the resolution, the Council expanded the existing arms embargo and non-proliferation measures to constitute a full arms embargo; established a conventional arms dual-use control list; strengthened transportation and interdiction measures with mandatory inspections by Member States of all cargo that is destined for or originating from the Democratic People's Republic of Korea and of any prohibited items being transported within or transiting their territory via air, sea, rail and road; authorized Member States to seize and dispose of prohibited items in a manner consistent with the applicable resolutions; strengthened the ban on providing vessel- and aircraft-related services to the Democratic People's Republic of Korea; clarified the action to be taken by the flag States of vessels designated as economic resources under the assets freeze provision; expanded financial sanctions; strengthened vigilance concerning diplomats, diplomatic missions and consular posts of the Democratic People's Republic of Korea in terms of their representation, assets and property usage abroad; and established a new ban on statues and new helicopters and vessels.

4. In particular, under resolutions 2270 (2016) and 2321 (2016), the Council decided that the Democratic People's Republic of Korea should not supply, sell or transfer, directly or indirectly, any coal, iron and iron ore, gold, titanium ore, vanadium ore, rare earth minerals or aviation fuel and States are prohibited from procuring such material from the country, albeit with specific exemptions and procedures.

5. Furthermore, under resolution 2321 (2016), the Council decided that the permissible aggregate value and volume of the country's coal exports were limited to $400,870,018 or 7,500,000 metric tons per year, whichever was lower, provided that the procurements did not involve individuals or entities associated with the nuclear or ballistic missile programmes of the Democratic People's Republic of Korea or other activities prohibited under the relevant resolutions and were exclusively for livelihood purposes and unrelated to generating revenue for prohibited programmes or activities. Pursuant to the resolution, Member States were allowed to procure coal that had originated outside the Democratic People's Republic of Korea and that had been transported through the country for export

from the Port of Rajin (Rason), provided that the Member State notified the Committee in advance and confirmed that such transactions were unrelated to generating revenue for prohibited programmes or activities.

6. The Panel of Experts is composed of eight members: a Coordinator (an expert in air transport) and seven other experts in the areas of customs and export control, finance, missile technology, maritime transport, nuclear issues, weapons of mass destruction and conventional arms, arms control and non-proliferation policy. The Panel reports to the Council through the Security Council Committee established pursuant to resolution 1718 (2006).

7. The Panel is mandated to undertake the following tasks in accordance with resolutions 1874 (2009), 1928 (2010), 1985 (2011), 2050 (2012), 2094 (2013), 2141 (2014), 2207 (2015), 2276 (2016) and 2321 (2016), inter alia:

(a) To assist the Security Council Committee in carrying out its mandate as specified in resolution 1718 (2006) and the functions specified in paragraph 25 of resolution 1874 (2009);

(b) To gather, examine and analyse information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures imposed in resolutions 1718 (2006) and 1874 (2009), in particular incidents of non-compliance;

(c) To make recommendations on actions that the Council, the Committee or Member States may consider to improve the implementation of the measures imposed by the Council in its resolutions 1718 (2006) and 1874 (2009);

(d) To determine and transmit to the Committee, within 30 days of the end of each month, an estimate of the average (mean) price in United States dollars of the coal exported in the previous month from the Democratic People's Republic of Korea based on credible and factually accurate trade data;

(e) To assist the Committee in holding special meetings on important thematic and regional topics and the capacity challenges faced by Member States in order to identify, prioritize and mobilize resources to areas that would benefit from technical and capacity-building assistance to enable more effective implementation by Member States;

(f) To submit a midterm report and a final report on its work, including findings and recommendations, for discussion by the Committee and subsequent submission to the Council.

Cooperation with other entities

8. The Panel of Experts cooperates with Member States that have information about potential violations of the sanctions regime. The Panel also provides assistance to Member States in preparing and submitting to the Committee national implementation reports on the relevant resolutions. The Council, in resolution 2321 (2016), requested the Panel of Experts, in cooperation with other United Nations sanctions monitoring groups, to continue its efforts to assist Member States in this regard.

9. The Panel of Experts seeks the cooperation and assistance of United Nations bodies, as well as other sanctions monitoring teams, groups and panels, as mandated and appropriate. It benefits from cooperation with other multilateral organizations, as well as with experts from think tanks and universities. In accordance with resolution 2321 (2016), it will increase its procurement of aerial imagery and analysis services through the Department of Field Support in order to strengthen its ability to analyse the sanctions violations and evasion activities of the Democratic People's Republic of Korea.

Revised planning assumptions for 2017

10. Under resolution 2321 (2016), the Panel of Experts, the Committee established pursuant to resolution 1718 (2006) and the Secretariat were mandated to carry out specific tasks relating to the coal ban, as indicated below. In this connection, in paragraphs 26 (b) and 42 of the resolution, the Council requested that the Secretary-General make the necessary arrangements and provide additional resources.

Panel of Experts

11. In accordance with resolutions 2270 (2016) and 2321 (2016), the Panel of Experts will increase its monitoring and reporting on the sanctions measures, it will examine the circumstances of previously reported sanctions violations, including the items seized or activities prevented pursuant to the relevant resolutions, and it will assist the Committee in ensuring the full and effective implementation of the resolutions. The Panel will also, as requested by the Council in resolution 2321 (2016), include findings and recommendations in its midterm reports, beginning with the report due to be submitted to the Committee no later than 5 August 2017.

12. The Panel of Experts will increase its assistance to Member States in preparing and submitting their implementation reports in a timely manner, in cooperation with other United Nations sanctions monitoring groups, and will also assist the Committee in its outreach to Member States that have never submitted implementation reports, as requested by the Security Council.

13. The Panel of Experts will determine and transmit to the Committee an estimate of the average (mean) price in United States dollars of the coal exported from the Democratic People's Republic of Korea each month, based on credible and factually accurate trade data. On the basis of the estimate and the procurement volumes reported by Member States, the Secretary of the Committee will calculate the value of the coal procured from the Democratic People's Republic of Korea each month, for the purposes of making coal export information publicly available on the Committee website on a real-time basis and notifying Member States when certain limits imposed under resolution 2321 (2016) are reached.

14. The Panel of Experts will assist the Committee in holding special meetings on important thematic and regional topics and the capacity challenges faced by Member States, and will assist the Committee in identifying, prioritizing and mobilizing resources to areas that would benefit from technical and capacity-building assistance to enable more effective implementation by Member States of the Security Council measures.

Security Council Committee established pursuant to resolution 1718 (2006)

15. The activities of the Committee established pursuant to resolution 1718 (2006) are expected to increase in 2017, following the adoption of resolution 2321 (2016). In particular, the Committee's role in receiving, organizing, monitoring and reporting on relevant information in connection with resolution 2321 (2016) and its measures is expected to expand significantly. For example, in 2016, the Committee sent out 362 notes and 178 official communications; convened five meetings (including an open briefing to Member States); and processed 77 national implementation reports. A larger number of documents and meetings is expected in 2017 as a result of the new measures, requiring enhanced Secretariat support services.

16. Concerning the coal ban, the Committee was mandated to make publicly available in real-time on its website the volume of coal procured from the Democratic People's Republic of Korea as reported by Member States, the value of that coal as calculated by the Secretary of the Committee, the total amount reported for each month and the number of States reporting each month pursuant to paragraph 26 of resolution 2321 (2016).

17. In the light of resolution 2321 (2016), the Committee will devote more attention to giving direction and providing guidance on implementation issues, as requested by Member States, in particular, guidance on exemptions, definitions and the application of sanctions measures. An increased number of Member States, entities of the United Nations system and other international organizations are expected to seek guidance from the Committee on technical projects and proposals to ensure sanctions compliance.

18. The Committee may take additional specific measures with respect to vessels it designates in accordance with paragraph 12 of resolution 2321 (2016), such as requiring the flag State to de-flag the vessel; directing the vessel to a port identified by the Committee, in coordination with the port State; prohibiting a designated vessel from entering port; and subjecting vessels to the assets freeze imposed in paragraph 8 (d) of resolution 1718 (2006).

19. The Committee will increase the number of meetings it holds in 2017 as it will organize special meetings on important thematic and regional topics and on the capacity challenges faced by Member States, and it will identify, prioritize and mobilize resources to areas that would benefit from technical and capacity-building assistance to enable more effective implementation by Member States.

The Secretariat

20. In paragraph 42 of resolution 2321 (2016), the Security Council requested the Secretary-General to provide additional administrative and analytical support resources to increase the capacity of the Panel of Experts and strengthen its ability to analyse the sanctions violations and evasion activities of the Democratic People's Republic of Korea, to include additional funding allocated for the procurement of aerial imagery and analysis services, access to relevant trade and international security databases and other information sources, as well as support from the Secretariat for the increased activities of the Committee. The expected areas of enhanced support from the Secretariat include: processing Committee and Panel

documentation; maintaining the sanctions list maintained by the Committee, including its informal Korean-language version; maintaining the vessels list and assisting the Committee with respect to specific measures on designated vessels; establishing, updating and maintaining coal volume and value calculations, including notifications concerning the coal ban on the Committee website on a real-time basis; organizing and maintaining a database on coal notifications; preparing and dispatching notification letters to Member States concerning the coal ban; providing meeting support, in particular for the special meetings on important thematic and regional topics; updating Committee documentation and procedures in the light of the relevant resolutions; and updating and maintaining the Committee website in the six official languages.

21. The revised objective, expected accomplishments, indicators of achievement, performance measures and additional outputs of the Panel of Experts under its expanded mandate are set out in table 1. For comparison purposes, the previous targets of the Panel of Experts are also indicated in the table.

Table 1
Objective, expected accomplishments, indicators of achievement and performance measures

Objective: To ensure that the Democratic People's Republic of Korea abandons all nuclear weapons and its existing nuclear programme and acts strictly in accordance with the obligations applicable to parties under the Treaty on the Non-Proliferation of Nuclear Weapons and the terms and conditions of the International Atomic Energy Agency Safeguards Agreement

			Performance measures		
Expected accomplishment	*Indicators of achievement*		*2017*	*2016*	*2015*
(a) Enhanced capacity of the Security Council to take follow-up action on alleged violations	(i) Number of official communications from the Committee to States and other entities on alleged violations cited by the Panel of Experts	Previous target	30	25	10
		Revised target	50		
		Estimate		35	20
		Actual		31	33

Outputs

- Reports to the Security Council (2)
- Open briefings to Member States on the implementation of the measures imposed by the Council (2)
- Country visit reports by the Panel of Experts (5)

			Performance measures		
Expected accomplishment	*Indicators of achievement*		*2017*	*2016*	*2015*
(b) Enhanced capacity of the Security Council to adjust the sanctions regime	(i) Number of recommendations made by the Panel of Experts agreed upon by the Committee	Previous target	6	3	3
		Revised target	10		
		Estimate		0	1
		Actual		0	0

	(ii) Number of recommendations incorporated by the Security Council into subsequent resolutions	Previous target	1	1	1
		Revised target	5		
		Estimate		6	0
		Actual		8	3
	(iii) Number of amendments to entries on the consolidated list of designated individuals and entities	Previous target	10	5	4
		Revised target	15		
		Estimate		5	3
		Actual		49	0

Outputs

- Recommendations on adjustments to the sanctions regime (8)
- Recommendations concerning new individuals or entities to be listed or updates to the existing consolidated list (10)

			Performance measures		
Expected accomplishment	*Indicators of achievement*		*2017*	*2016*	*2015*
(c) Improved compliance by States with the sanctions measures	(i) Number of communications from States and other entities informing of compliance-related issues	Previous target	8	3	5
		Revised target	20		
		Estimate		6	2
		Actual		23	3
	(ii) Number of communications from States and other entities seeking advice on how to comply with the measures	Previous target	5	6	10
		Revised target	20		
		Estimate		6	5
		Actual		5	3

Outputs

- Consultations held by the Panel of Experts with Member States on the implementation of the sanctions measures imposed by the Security Council, in particular resolution 2270 (2016) and resolution 2321 (2016), both informally and formally (20)
- Communications to States or other entities requesting information relating to compliance with the sanctions measures (15)
- Implementation assistance notices and discussion papers on good practices and technical assistance (9)
- Outreach events to facilitate the implementation of the sanctions regime (3)
- Investigative reports on the compliance of States or entities with the sanctions regime (8)
- Regional workshops on the implementation of the sanctions regime (1)
- Special meetings on important thematic and regional topics and the capacity challenges of Member States (2)

Resource requirements (regular budget)

Table 2
Financial resources

(Thousands of United States dollars)

	Initial appropriation 2017	*Additional requirements*	*Non-recurrent requirements*	*Total requirements 2017*
	(1)	*(2)*	*(3)*	*(4)=(1)+(2)*
Civilian personnel costs	916.7	464.1	–	1 380.8
Operational costs	4 122.2	233.3	4.3	4 355.5
Total	**5 038.9**	**697.4**	**4.3**	**5 736.3**

Table 3
Positions

	Professional and higher categories									*General service and related categories*			*National staff*			
	USG	*ASG*	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2*	***Subtotal***	*Field Security Service*	*General Service*	***Total international***	*National Professional Officer*	*Local level*	*United Nations Volunteers*	***Total***
Approved 2017	–	–	–	–	–	–	2	–	**2**	–	2	**4**	–	–	–	**4**
Proposed 2017	–	–	–	–	1	2	2	–	**5**	–	4	**9**	–	–	–	**9**
Change	**–**	**–**	**–**	**–**	**1**	**2**	**–**	**–**	**3**	**–**	**2**	**5**	**–**	**–**	**–**	**5**

22. As a result of the expanded mandate emanating from resolution 2321 (2016) and in the light of the revised planning assumptions regarding the work and mandated activities of the Panel of Experts, the Committee and the Secretariat, it is proposed that five additional positions in New York be established: two Political Affairs Officers (one P-5, one P-4) and one Meetings Assistant (General Service (Other level)) to provide support to the Committee established pursuant to resolution 1718 (2006) and one Political Affairs Officer (P-4) and one Research Assistant (General Service (Principal level)) to provide support to the Panel of Experts established pursuant to resolution 1874 (2009).

23. The estimated additional requirements for 2017 amount to $697,400 (net of staff assessment), which would provide for salaries and common staff costs for the proposed additional five positions ($464,100); official travel of experts ($40,000); facilities and infrastructure ($114,400); communications ($3,300); information technology ($35,600); and other supplies and services ($40,000).

24. Pending approval by the General Assembly of the additional resource requirements for the activities of the Panel of Experts on the Democratic People's Republic of Korea for 2017, the requirements for the period from 1 January to 31 March 2017 are being funded under the authority granted to the Secretary-General under paragraph 1 (a) of General Assembly resolution 70/250 relating to unforeseen and extraordinary expenses for the biennium 2016-2017, for three posts and other operational costs, in the amount of $142,700. The resource requirements

for the period from 1 January to 31 March 2017 are included in the amount for which appropriation from the General Assembly is requested in paragraph 26 (b) below.

Extrabudgetary resources

25. No extrabudgetary resources are available or projected in 2017.

26. **The General Assembly is requested:**

(a) **To approve the additional resources in the amount of $697,400 (net of staff assessment) for the Panel of Experts on the Democratic People's Republic of Korea for the period from 1 January to 31 December 2017;**

(b) **To appropriate, under the procedures provided for in paragraph 11 of annex I to resolution 41/213, an additional amount of $697,400 (net of staff assessment) under section 3, Political affairs, of the programme budget for the biennium 2016-2017;**

(c) **To appropriate an amount of $70,400 under section 36, Staff assessment, to be offset by a corresponding amount under income section 1, Income from staff assessment, of the programme budget for the biennium 2016-2017.**